

SEC SECURITIES  
Mail Processing  
Section



12010760

SSION

OMB APPROVAL

OMB Number: 3235-0123

SEC FILE NUMBER  
8-50792

FEB 14 2012

Washington, DC  
125

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

**FACING PAGE**

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING JANUARY 1, 2011 AND ENDING DECEMBER 31, 2011  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

Carver Cross Securities Corp.

NAME OF BROKER-DEALER:

OFFICIAL USE ONLY

FIRM ID. NO. 128045

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

152 Pondfield Rd

(No. and Street)

Bronxville

(City)

NEW York

(state)

10708

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Bruce C. Jackson

(212) 292-7801

(Area Code - Telephone No.)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Michael T. Remus, CPA

(Name - if individual, state last, first, middle name)

3673 Quakerbridge Road PO Box 2555

(Address)

Hamilton Square

(City)

NJ

(state)

086390

(Zip Code)

CHECK ONE:

☒ [X] Certified Public Accountant

☐ [ ] Public Accountant

☐ [ ] Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See section 240-17a-5(e)(2).

SEC 1410 (3-91)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I Bruce C Jackson swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Carver Cross Securities Corp. as of December 31 20 11, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NA

Bruce C Jackson  
Signature  
President  
Title

Claudia Gomez 02/8/12  
Notary Public

CLAUDIA GOMEZ  
Notary Public, State of New York  
No. 018006186996  
Qualified in Queens County  
Commission Expires 5/24/12

This report\*\* contains (check all applicable boxes):

- ☒ (a) Facing page
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Cash Flows.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietor's Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation, of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

---

---

**Carver Cross Securities Corp.**

***FINANCIAL STATEMENTS***

***AND***

***SUPPLEMENTARY INFORMATION***

**For the Year Ended**

**December 31, 2011**

---

---

**CARVER CROSS SECURITIES CORP.**

**FINANCIAL HIGHLIGHTS**

December 31, 2011

	<u>2011</u>
NET INCOME	\$ 5,166
NET WORTH	12,202
CASH AND CASH EQUIVALENTS	13,702
CURRENT RATIO	9.13 : 1.0

**MICHAEL T. REMUS**  
***Certified Public Accountant***

P.O. Box 2555  
Hamilton Square, NJ 08690

**Tel:** 609-540-1751  
**Fax:** 609-838-2297

**Independent Auditor's Report**

Stockholder  
**Carver Cross Securities Corp.**

I have audited the accompanying statement of financial condition of Carver Cross Securities Corp. (an S Corporation) as of December 31, 2011, and the related statement of operations and retained earnings, changes in liabilities subordinated to claims of creditors, changes in stockholders' equity and cash flows for the year then ended that you are filing pursuant to Rule 17a-5 under the Securities Exchange Act of 1934. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. . An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Carver Cross Securities Corp. as of December 31, 2011 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in the supplemental schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Michael T. Remus*

Michael T. Remus, CPA  
Hamilton Square, New Jersey  
January 16, 2012

**CARVER CROSS SECURITIES CORP.**  
**STATEMENT OF FINANCIAL CONDITION**  
December 31, 2011

**ASSETS**

Current Assets	
Cash and cash equivalents	\$ 13,702
Total Current Assets	<u>13,702</u>
Equipment	
Computer equipment	2,363
Less: Accumulated depreciation	<u>(2,363)</u>
	<u>0</u>
Total Assets	<u><u>\$ 13,702</u></u>

**LIABILITIES AND STOCKHOLDERS' EQUITY**

Current Liabilities	
Accrued expenses	\$ 1,500
Total Current Liabilities	<u>1,500</u>
Total Liabilities	<u>1,500</u>
Stockholders' Equity	
Common stock, no par, Authorized 200 shares, 100 shares issued and outstanding	8,000
Retained earnings	4,202
	<u>12,202</u>
Total Liabilities and Stockholders' Equity	<u><u>\$ 13,702</u></u>

See accompanying notes.

**CARVER CROSS SECURITIES CORP.**  
**STATEMENT OF OPERATIONS AND RETAINED EARNINGS**  
Year Ended December 31, 2011

REVENUES

Revenues and fees	\$	41,360
Interest income		10
		<hr/>
		41,370

OPERATING EXPENSES

Utilities	12,843
Telephone & internet fees	12,450
Travel	3,863
Software & computer support	1,115
Postage	557
General & administrative expense	1,721
Professional fees	1,500
Regulatory Fees	2,130
	<hr/>
	36,179

Income From Operations	5,191
------------------------	-------

Income Tax	<hr/> 25
------------	----------

Net Income	5,166
------------	-------

Retained Earnings (Deficit) - December 31, 2010	(964)
---	-------

Retained Earnings - December 31, 2011	<hr/> <hr/> \$ 4,202
---------------------------------------	----------------------

See accompanying notes.

**CARVER CROSS SECURITIES CORP.**  
**STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED**  
**TO CLAIMS OF CREDITORS**  
**Year Ended December 31, 2011**

Subordinated Liabilities at December 31, 2010	\$ -
Increases	-
Decreases	-
Subordinated Liabilities at December 31, 2011	<u>\$ -</u>

See accompanying notes.



**CARVER CROSS SECURITIES CORP.**  
**STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY**  
Year Ended December 31, 2011

	<u>Common Stock</u>		Additional	Retained	
	<u>Number of</u>	<u>Amount</u>	<u>Paid-In</u>	<u>Earnings (Deficit)</u>	<u>Total</u>
	<u>Shares</u>		<u>Capital</u>		
Balance at December 31, 2010	100	\$ 8,000	\$ -	\$ (964)	\$ 7,036
Current year activity	-	-	-	-	-
Net Income	-	-	-	5,166	5,166
Balance at December 31, 2011	<u>100</u>	<u>\$ 8,000</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ 12,202</u>

See accompanying notes.

**CARVER CROSS SECURITIES CORP.**

**STATEMENT OF CASH FLOWS**

Year Ended December 31, 2011

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net Income	\$	5,166
------------	----	-------

Adjustments to Reconcile Net Income to Net  
Cash Provided By Operating Activities:

Depreciation	-
--------------	---

Increase (Decrease) in:

Accounts payable and accrued expenses	(41)
---------------------------------------	------

Net cash provided by operating activities	<u>5,125</u>
---	--------------

**Cash Flows From Investing Activities**

**Cash Flows From Financing Activities**

Net increase in cash	5,125
----------------------	-------

Cash and cash equivalents at Beginning of Year	<u>8,577</u>
--	--------------

Cash and cash equivalents at End of Year	<u><u>13,702</u></u>
--	----------------------

**Supplemental Disclosures**

Cash paid for income taxes	\$	25
----------------------------	----	----

Cash paid for interest	-
------------------------	---

See accompanying notes.

# **CARVER CROSS SECURITIES CORP.**

## **Notes To Financial Statements**

**December 31, 2011**

### **1 Nature of Business Operations**

Carver Cross Securities Corp. (the Company) was organized in the State of New York on December 17, 1997. The Company is a broker-dealer and financial advisor to entities seeking to raise capital, consummate mergers and acquisitions and provides advice to entities considering or planning such transactions.

### **2 Accounting Policies**

#### *(a) Accounting Principles*

The financial statements and accompanying notes are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") unless otherwise disclosed..

#### *(b) Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

#### *(c) Cash*

For purposes of the statement of cash flows, the Company considers all investments with a term to maturity of three months or less at the time of acquisition to be cash equivalents. The company has adopted the indirect method of presenting the statement of cash flows in accordance with current authoritative pronouncements. There were no cash equivalents at December 31, 2011

#### *(d) Accounts Receivable*

The Company establishes an allowance for uncollectible trade accounts receivable based on managements evaluation of the collectibility of outstanding accounts receivable. There were no accounts receivable at December 31, 2011.

#### *(e) Property and Equipment*

Property and equipment is recorded at cost, Improvements are capitalized, while repairs and maintenance expenditures are expensed in the statement of operations and retained earnings. Depreciation is provided over the estimated useful lives of the assets using the straight- line method which range from three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period.

## **CARVER CROSS SECURITIES CORP.**

### **Notes To Financial Statements**

**December 31, 2011**

#### *(f) Revenue Recognition*

The Company recognizes revenue from advisory fees in the period earned, that is when the transaction has been completed or advisory services delivered.

#### *(g) Income Taxes*

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be treated as an S Corporation. In lieu of corporation income taxes, the shareholders of an S Corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal or state income taxes has been included in the financial statements. The Company's tax returns and the amount of income or loss allocable to each shareholder are subject to examination by federal and state taxing authorities. In the event of an examination of the Company's tax return, the tax liability of the shareholders could be changed if an adjustment in the Company's income or loss is ultimately determined by the taxing authorities.

Certain transactions of the Company's may be subject to accounting methods for federal and state income tax purposes which differ significantly from the accounting methods used in preparing the financial statements. Accordingly, the net income or loss of the Company and the resulting balances in the shareholders' capital accounts reported for federal and state income tax purposes may differ from the balances reported for those same items in these financial statements.

U.S. GAAP requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The Company does not believe its financial statements include any uncertain tax positions at December 31, 2011 and there are no open tax years prior to 2007. In addition, no income tax related penalties or interest have been recorded for the year ended December 31, 2011.

#### *(h) Advertising and Marketing*

Advertising and marketing costs are expensed as incurred

#### *(I) General and Administrative Expenses*

General and administrative costs are expensed as incurred.

#### *(j) Subsequent Events*

The Company has evaluated subsequent events occurring after the statement of financial condition date through the date of January 16, 2012 which is the date the financial statements were available to be issued. Based on this evaluation, the Company has determined that no subsequent events have occurred which require disclosure in or adjustment to the financial statements.

## **CARVER CROSS SECURITIES CORP.**

### **Notes To Financial Statements**

**December 31, 2011**

#### *(k) Fair Value Measurements*

FASB ASC 820 defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.
- Level 2 inputs are inputs (other than quoted prices included within level 1) that are observable for the asset or liability, either directly or indirectly.
- Level 3 are unobservable inputs for the asset or liability and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available in the circumstances and may include the Company's own data.)

For further discussion of fair value, see "Note 5 Fair Value"

#### *(l) Comprehensive Income*

Comprehensive income (loss) is the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. It requires unrealized gains or losses on available-for-sale securities, foreign currency translation adjustments, minimum pension liability adjustments and changes in the market value of certain futures contracts that qualify as a hedge to be included in other comprehensive income. As of the date of these financial statements the company had no components of comprehensive income

## **CARVER CROSS SECURITIES CORP.**

### **Notes To Financial Statements**

December 31, 2011

#### **3 Net Capital Requirements**

The Company is subject to the SEC Uniform Net Capital Rule (SEC Rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 (and the rule of the "applicable" exchange also provides that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1). At December 31, 2011, the Company had net capital of \$12,202, which was \$7,202 in excess of its required minimum net capital of \$5,000. The Company's net capital ratio was 0.123 to 1.

#### **4 Concentrations and Economic Dependency**

One customer accounted for 85.% of revenues and fees.

#### **5 Fair Value of Financial Instruments**

Cash and cash equivalents, accounts payable and other current liabilities are reflected in the financial statements at carrying value which approximates fair value because of the short-term maturity of these instruments.

	<u>Level</u>
Assets	
Cash and cash equivalents	\$ <u>13,702</u>
Liabilities	
Accrued expenses	\$ <u>( 1,500)</u>

#### **6 Related Party Transactions**

During the year the Company reimbursed its principal shareholder for utilities and general and administrative expenses in the amount of \$12,843 and \$19,706 respectively.

#### **7 Anti-Money Laundering Program**

The Company is required to have a program to actively prevent and prohibit money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities. At December 31, 2011 the Company was in compliance with this program.

**Supplementary Information**  
**Pursuant to Rule 17a-5 of the**  
**Securities Exchange Act of 1934**

**As of December 31, 2011**

**MICHAEL T. REMUS**  
***Certified Public Accountant***

P.O. Box 2555  
Hamilton Square, NJ 08690

Tel: 609-540-1751  
Fax: 609-838-2297

**Independent Auditors Report on**  
**Internal Accounting Control**

Stockholder  
**Carver Cross Securities Corp.**

In planning and performing our audit of the financial statements of Carver Cross Securities Corp.(the Company), as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, I considered the Company's internal control over financial reporting (internal control) as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, I do not express an opinion on the effectiveness of the Company's internal control.

Also, as required by Rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), I have made a study of the practices and procedures followed by the Company including consideration of control activities for safeguarding securities (if applicable). This study included tests of such practices and procedures that I considered relevant to the objectives stated in Rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under Rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of Rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, I did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons and recordation of differences required by Rule 17a-13
2. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's previously mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.



Because of inherent limitations in internal control and the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the company's financial statements will not be prevented or detected and corrected on a timely basis.

My consideration of internal control was for the limited purpose described in the first and second paragraphs and would not necessarily identify all deficiencies in internal control that might be material weaknesses. I did not identify any deficiencies in internal control and control activities for safeguarding securities that I consider to be material weaknesses, as defined previously.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures, as described in the second paragraph of this report, were adequate at December 31, 2011, to meet the SEC's objectives.

This report is intended solely for the information and use of the stockholders, management, the SEC, and other regulatory agencies that rely on Rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

*Michael T. Remus*

January 16, 2012  
Michael T. Remus, CPA  
Hamilton Square, New Jersey

**CARVER CROSS SECURITIES CORP.**

**INFORMATION RELATING TO POSSESSION OR CONTROL REQUIREMENTS  
PURSUANT TO RULE 15c 3-3 of the Securities and Exchange Commission**

As of December 31, 2011

Pursuant to rule 15c 3-3 relating to possession or control requirements, Carver Cross Securities Corp. has not engaged in the clearing or trading of any securities and did not hold customer funds or securities during the year ended December 31, 2011 and therefore is claiming exemption to this schedule pursuant to paragraph K(2)(I) of SEC Rule 15c3-3. The firm's minimum net capital requirement pursuant to paragraph (a)(2)(vi) of SEC Rule 15c3-1 will be \$5,000..

**CARVER CROSS SECURITIES CORP.**

**COMPUTATION OF NET CAPITAL IN ACCORDANCE WITH RULE 15c 3-1**  
**Year Ended December 31, 2011**

Schedule I

NET CAPITAL

Common stock	\$ 8,000
Additional Paid-In Capital	-
Retained earnings (deficit)	4,202
Total Credits	<u>12,202</u>

Debits

Receivables to non-customers	-
Equipment less accumulated depreciation	-
Total Debits	<u>0</u>

NET CAPITAL	<u><u>\$ 12,202</u></u>
-------------	-------------------------

CAPITAL REQUIREMENTS

6 2/3 % of aggregate indebtedness	\$ 100
Minimum capital requirement	<u>5,000</u>
Net capital in excess of requirements	<u><u>\$ 7,202</u></u>

Ratio of Aggregate Indebtedness to Net Capital	0.123 to 1
---	------------

Reconciliation with Company's Computation (included in  
Part II of Form X-17A-5 as of December 31, 2011)

Net Capital, as reported in Company's Part II unaudited Focus Report	\$ 12,202
Net Capital, per above	<u>12,202</u>
Difference	<u><u>\$ -</u></u>

**CARVER CROSS SECURITIES CORP.**

**SCHEDULE OF AGGREGATE INDEBTEDNESS**

Year Ended December 31, 2011

Schedule II

AGGREGATE INDEBTEDNESS:

Accrued expenses and accounts payable	\$ 1,500
	<hr/>
Total Aggregate Indebtedness	<u><u>\$ 1,500</u></u>

**CARVER CROSS SECURITIES CORP.**

**RECONCILIATION BETWEEN AUDITED AND UNAUDITED STATEMENTS  
OF FINANCIAL CONDITION**

**FISCAL YEAR ENDED DECEMBER 31, 2011**

Pursuant to Rule 17a-5(d) (4) of the audited computations of Net Capital pursuant to Rule 15c 3-1 and computation for Determination of Reserve requirements pursuant to Rule 15c 3-3 submitted by Carver Cross Securities Corp., in my opinion no material differences exist which would materially effect the reserve requirements pursuant to Rule 15c 3-3.

**MICHAEL T. REMUS**  
*Certified Public Accountant*

P.O. Box 2555  
Hamilton Square, NJ 08690

Tel: 609-540-1751  
Fax: 609-838-2297

**CARVER CROSS SECURITIES CORP.**

**Independent Accountants Report on Applying Agreed-Upon  
Procedures Related to an Entity's SIPC Assessment Reconciliation  
For the Year Ended December 31, 2011**

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, I have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments [Transitional Assessment Reconciliation (Form SIPC-7T)] to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2011, which were agreed to by Carver Cross Securities Corp. and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and the other specified parties in evaluating Carver Cross Securities Corp. compliance with the applicable instructions of the Transitional Assessment Reconciliation (Form SIPC-7T). Carver Cross Securities Corp. management is responsible for the firm's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

1. Compared listed assessment payments on SIPC-7 with respective cash disbursements journals, noting no differences;
2. Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2011, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2011, noting no differences;
3. Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, noting no differences, and
4. Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and in the related schedules and working papers supporting the adjustments, noting no differences.

My findings are included on the attached SIPC Transitional Assessment Reconciliation schedule. I was not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above and is not intended to be and should not be used by anyone other than these specified parties.

*Michael T. Remus*

Michael T. Remus, CPA  
Hamilton Square, New Jersey  
January 16, 2011

**CARVER CROSS SECURITIES CORP.**  
**SIPC Transitional Assessment Reconciliation**  
**December 31, 2011**

**Schedule III**

General Assessment Calculation

Total Revenue	\$	41,369
Rate		<u>0.0025</u>
General Assessment Due		103.42
Less Payments: SIPC 6		(10.91)
Plus: Interest		<u>-</u>
Remaining Assessment Due		92.51
Paid with SIPC 7		<u>(92.51)</u>
Balance Due	\$	<u><u>0.00</u></u>

See Independent Accountants' report.